



Testimony of Timothy J. Dietz – Sr. VP, Government Relations
National Self Storage Association
Re/CT-HB5088 - 2/21/2012
Connecticut General Assembly - General Law Committee Hearing

The national Self Storage Association represents approximately 32,000 owners of sum 47,000 self storage properties nationwide. These are primarily small businesses – with the bulk of the industry made-up of “mom & pop” operators with only one or two facilities. I am here today support the approximate 317 facilities in the state of Connecticut. These self storage businesses have only one remedy in nonpayment and/or abandonment circumstances: the lien process. Self storage operators are in the business of renting “real property,” and in most cases go “above and beyond” to remedy late payment situations before moving into the auction process. Less than 1% of storage units nationwide end up at auction and storage businesses are generally lucky to recoup \$0.20 on the dollar that is owed. Selling property at auction is by no means a windfall and most storage managers are simply looking to recoup their space to rent to another tenant.

The Self Service Storage Act in Connecticut was established three decades ago; subsequently more efficient means of advertising and notice delivery have surfaced, and these are positive developments both for the owner operators of self storage simply seeking to “lose less” in a nonpayment circumstance, and the consumers of self storage, many of whom prefer to be informed via email and view public notices via the Internet. Given that these laws across the country were mostly established between the late 1970s and early 1990s, legislatures in 13 states over the past four years have made identical or very similar changes to their lien statutes and currently 8 bills are working their way through their respective legislatures, including this bill here in Connecticut.

- Certified Mail is expensive for operators, more than \$5 with a return receipt: 41% of storage operators report that very often these certified letters are returned without signatures.
- In 2012 Email is the preferred form of communications for many tenants. At the time of rental, only those who choose to provide an email address will be notified via this method.
- Internet posting of public lien notices have a wider reach than circulation via newspapers. Newspaper publishing is still an option for advertising, this bill simply expands the options to include Internet.
- Enabling operators to utilize a "commercially reasonable" advertising method ensures three or more independent bidders are present at an auction and leaves it to the owners' discretion what method this is most efficiently accomplished.
- States that have enacted identical or similar lien improvements include Arizona, Arkansas, California, Colorado, Illinois, Maine, Michigan, Nevada, North Carolina, Tennessee, Texas, Washington State and Wisconsin

Thank you very much for your time and I'd be happy to answer any questions.